

# **ADMINISTRATION BUDGET JUSTIFICATION NARRATIVES**

## **OVERVIEW**

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### **Background**

Justification Narratives are incorporated in the Budget/Invoice file. Justifications are entered on four tabs located at the bottom of the file (J-Pers, J-Oper, J-Capl, and J-Other).

Narratives are explanations of each item listed on the Summary, Personnel, and Operating Expenses and Other Costs Pages.

Narratives must include all particulars as specified by the MCAH Branch for evaluating the necessity or desirability of each expenditure. This portion of the Budget Document is used for management, monitoring, and auditing purposes.

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### **Purpose**

Information listed below will assist you in preparing the Budget Justification Narratives in accordance with the following guidelines.

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### **Contents of Order**

The contents of this Section are:

<b>TOPIC</b>	<b>See Page</b>
PERSONNEL EXPENSES (J-PERS)	2
OPERATING EXPENSES-TRAVEL (J-OPER)	2
OPERATING EXPENSES-TRAINING (J-OPER)	2
OPERATING EXPENSES-OTHER OPERATING	3
CAPITOL EXPENSES (J-CAPL)	3
OTHER COSTS-SUBCONTRACT (J-OTHER)	3-4
OTHER COSTS-OTHER CHARGES (J-OTHER)	4

## **ADMINISTRATION BUDGET JUSTIFICATION NARRATIVES**

### **PERSONNEL EXPENSES (J-Pers)**

#### **Procedure**

Select the J-Pers tab and list the following information for each staff:

- Benefit Rate or amount (optional, may use average benefit rate on Personnel Detail Page).
  - Variable Medi-Cal factor, if applicable.
  - Specific MCAH Program (e.g. MCAH, CPSP, PCG, FIMR, BIH, AFLP, ASPPP).
  - Source of data for Medi-Cal Factor.
  - Explanation of each Medi-Cal Factor higher than the agency's base Medi-Cal Factor provided by the MCAH Branch for the current year.
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### **OPERATING EXPENSES- TRAVEL (J-Oper)**

#### **Procedure**

Select the J-Oper tab and complete the following items:

- Agency Mileage (refer to State Reimbursement Rate form in the forms section) Agency per diem rate (meals and incidentals) (see mileage for instructions) Agency maximum lodging rate excluding taxes.
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### **OPERATING EXPENSES- TRAINING (J-Oper)**

#### **Procedure**

Line item titles and amounts automatically carry over to this justification worksheet from the Budget.

- Select the J-Oper tab and briefly describe training expense.

## **ADMINISTRATION BUDGET JUSTIFICATION NARRATIVES**

### **OPERATING EXPENSES- OTHER OPERATING (J-Oper)**

#### **Procedure (Continued)**

Line item titles and amounts automatically carry over to the justification worksheet from the budget.

- Select the J-Oper tab and briefly describe other operating expenses.
  - Place an "X" in the appropriate column if the item is unmatched expense. Such expenditures may include, but are not limited to:
    - Membership dues
    - Incentives or program redirectives
    - Educational Materials, unless they meet the two FFP objectives.
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### **CAPITAL EXPENDITURES (J-Capl)**

#### **Background**

These expenditures are defined as items with a base cost of \$5,000 or more and useful life expectancy of four or more years, including telecommunications, and Electronic Data Processing/Automated Data Processing software.

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#### **Procedure**

- Select the J-Capl tab and list all Capital expenditures and the costs associated with each item.
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### **OTHER COSTS- SUBCONTRACT (J-Other)**

#### **Background**

A subcontract is a written agreement between the Agency and a subcontractor specifically related to securing or fulfilling the Agency's obligation to the MCAH Branch under terms of the MCAH Allocation SOW and Budget. (See more information on Subcontracts in the Administration Subcontracts Section).

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## **ADMINISTRATION BUDGET JUSTIFICATION NARRATIVES**

### **OTHER COSTS- SUBCONTRACT (J-Other) (Continued)**

#### **Procedure**

The Line item titles and amounts automatically carry over to this justification worksheet from the budget.

- Select the J-Other tab and briefly describe the necessity, types of services, and cost for each subcontract.
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### **OTHER COSTS- OTHER CHARGES (J-Other)**

#### **Procedure**

Line item titles and amounts automatically carry over to this justification worksheet from the budget.

- Select the J-Other tab and provide a brief explanation of the necessity and cost of each expenditure.
- For Indirect costs, briefly describe the indirect costs in excess of the allowable 10 percent indirect costs shown on the Budget Summary.
- Such indirect expenditures may include, but are not limited to A-87 County Wide Cost Allocation Plan (CWCAP) costs for the programs being budgeted.